



### **Cable Franchise Legislation (House Bill 6456):**

- **BREAKS ALL CURRENT FRANCHISE CONTRACTS IMMEDIATELY-** The bill allows cable companies to break their contracts with municipalities, which have been carefully drafted to meet each municipality's needs. American government and business is built on the sanctity of contracts. The legislature should honor contracts, and not break them. Current cable contracts with municipality's have a "build-out" provision assuring that all residents (at least those in areas with a minimum population density) get service. By allowing cable companies to break these contracts the bill takes away the assurance that all residents get cable service.
- **PHONY 'BUILD-OUT' REQUIREMENTS-** The bill does not contain an effective or meaningful 'build-out' provision and will allow companies to pick and choose where to provide service. It allows AT&T to cherry-pick and red-line 'low-value' residents. AT&T told Wall Street investors it was ONLY going to serve 'low-value' residents. Most rural areas and urban centers of Michigan will be left without real choices in service. We are opposed to any legislation which will deepen the digital divide and not treat all citizens equally. Michigan deserves no less.
- **IMMEDIATE CUT IN REVENUE-** Experts have estimated the bill would hit local communities and schools, community and public access revenue to the tune of **\$42 million annually**. Over a 10-year period this legislation could cost local communities and PEG more than **\$400 million**.
- **DEVASTATING REDUCTION TO COMMUNITY, SCHOOL, AND LOCAL ACCESS TV-** According to experts, many Community, School, and Public Access TV facilities will be immediately closed, or will close within a short time after this legislation goes into effect.

- **PRIVATE PROPERTY RIGHTS IN JEOPARDY-** because no guarantee of service, AT&T can skip homes even if they are using homeowners' private easements.
- **BILL WILL RESULT IN ENDLESS LITIGATION-** volumes of inconsistencies and lack of authority will create years of litigation costing local resident's money.
- **BILL WILL CREATE NEW STATE BUREAUCRACY-** In California, where a new cable law was passed more than 200 new state employees need to be hired. How will Michigan pay for this new bureaucracy.
- **LOCAL RESIDENTS MAY LOSE CURRENT SERVICE-** allows cable and phone companies to pick and choose where they provide service on a home to home basis.
- **RIGHT-OF-WAY CONTROLS AT RISK-** Right-of-Way controls on the cable industry were managed by local franchise agreements. This bill eliminates franchise agreements with no replacement for right-of-way controls. METRO Act does not pertain to cable industry.



Example of new infrastructure deployment

Please feel free to contact Joe Fivas at (517) 230-7007, or David Bertram at (517) 321-6467 if you have any questions on pending cable franchise legislation.